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SEP 24 1998

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

September 24, 1998

**EX PARTE**

Ms. Magalie Roman Salas  
Office of the Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Room 222 - Stop code: 1170  
Washington, D.C. 20554

Re: Application of SBC Communications, Inc. and Ameritech Corporation for Authority to Transfer Control of Certain Licenses and Authorizations, CC Docket No. 98-141

Dear Ms. Salas:

On September 23, 1998, representatives of Sprint Communications Company, L.P. met with several members of the Common Carrier Bureau, OPP, and the International Bureau, each of whom is identified below. Representing Sprint were Leon Kestenbaum, Stan Besen, Michael Katz (by telephone), Steve Salop, John Woodbury, Phil Verveer and Sue Blumenfeld.

The purpose of the meeting was to discuss Sprint's analysis of the above-referenced application.

Sprint explained the incentives and ability RBOCs have to raise rivals' costs and thus adversely affect competition in local exchange, interexchange and new services markets. Sprint explained further that these incentives and abilities increase with the proposed merger.

Sprint explained that there are out-of-region effects when one RBOC engages in exclusionary conduct in its region. The merger would allow the merged entity to internalize these spillover effects. It thus increases the rewards of

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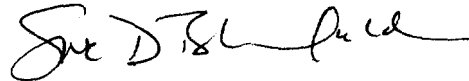
discrimination and makes it more certain to be practiced. These effects are demonstrable in the markets for local services, long distance services and new services.

It will also reduce the number of available benchmark firms, thereby diminishing regulatory effectiveness. Especially for those services where interconnection and access rules are not yet fully in place and implemented, the loss of benchmarks increases the ability of all BOCs to engage in exclusionary conduct.

Sprint also expressed doubt about the 'national-local strategy' described in the application. Sprint disagreed with the claimed need to 'follow the customer' as well as the claim that SBC cannot compete for a customer's business unless that customer is headquartered in its region. Sprint questioned more generally the connection between the merger and the strategy.

Pursuant to 47 CFR 1.1206, an original and one copy of this letter is herewith submitted, and service will be made to all known parties to the proceeding as shown on the attached certificate. Please let me know if you have any questions.

Sincerely,



Sue D. Blumenfeld

cc: **BY HAND:**

Lisa Choi  
Patrick DeGraba  
Bill Dever  
Jennifer Fabian  
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Michael Pryor  
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## **CERTIFICATE OF SERVICE**

I, Catherine M. DeAngelis, do hereby certify that on this 24th day of September, 1998, copies of the attached document were served by first class mail, postage prepaid, on the following parties:

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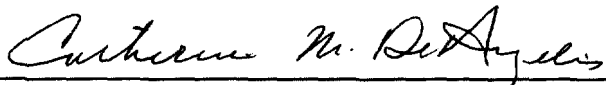
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